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March 1, 2005

BY E-MAIL AND BY HAND

Mary L. Cottrell, Secretary Department of Telecommunications and Energy 1 South Station, 2nd Floor Boston, MA 02110

Re: Blackstone Gas Company - Annual Service Quality Report - March 2005 D.T.E. 05-21

Dear Secretary Cottrell:

Enclosed for filing are the original and two copies of Blackstone Gas Company ("Blackstone") Annual Service Quality Report for the calendar year 2004. Additional copies are being provided directly to Department of Telecommunications and Energy ("Department") Staff as indicated below.

The format of this report complies with the Department's February 6, 2003 memorandum issued in D.T.E. 99-84 regarding the format for annual service quality reports. Accordingly, Blackstone's Annual Service Quality Report for the calendar year 2004 is organized as follows: Section 1 provides a summary matrix of Blackstone's service quality data. Section II presents the historical performance data required by the Department as detailed in Blackstone's Service Quality Plan. Section III provides work papers supporting the historical performance data.

In accordance with the Rate Settlement Agreement approved by the Department in D.T.E. 04-79 (October 1, 2004) Blackstone is now subject to performance based ratemaking and the Guidelines issued in D.T.E. 99-84 as modified by the Blackstone Service Quality Plan filed on February 15, 2002.

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Blackstone objects to the classification by the Consumer Division of customer complaints as "cases" and the single bill adjustment during 2004 as proper under the Department's Service Quality Guidelines. A narrative of these matters is enclosed. Even with the penalties that are calculated as a result of the Division "cases" and billing adjustment, Blackstone has a net penalty off-set carry-forward of \$7,613 for 2004.

Very truly yours,

Andrew J. Newman

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AJN/lms

Enclosures

cc:

Jody Stiefel, Hearing Officer (1) George Yiankos, Director, Gas Division (1) Kevin Brannelly, Director, Rates and Revenue Requirements (1) Glenn Shippee, Rates and Revenue Requirements (6) Karen Robinson, Director, Consumer Division (1) Joseph A. Rogers, Assistant Attorney General (1) Robert Sydney, General Counsel, DOER (1)